

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Division

PROCEDURE FOR ABANDONMENT OF PROPERTY

Federal Rule of Bankruptcy Procedure 6007 and Local Bankruptcy Rule 6007-1 provide procedures for abandonment of property. The intent of Local Bankruptcy Rule 6007-1 is to provide notice as required by Federal Rule of Bankruptcy Procedure 6007(a) of the trustee's intent to abandon property of the estate that is burdensome or of inconsequential value to the estate. This notice relative to the proposed abandonment is contained in the 341 meeting notice mailed to all creditors. Parties in interest who oppose the abandonment of any property may state their oral objections at the meeting of creditors, obtain a hearing date from the Court and transmit notice of a hearing on their objection and file such notice with proof of service with the Court, within ten (10) days after the meeting of creditors.

To effectively accomplish abandonment under this procedure, creditors holding secured claims should file evidence of their security interest or lien with the interim trustee on or before the 341 meeting. If sufficient documentation with respect to property sought to be abandoned is lacking at the 341 meeting, the creditor may have to wait until the case is closed before the property, real or personal, is deemed abandoned.

A certificate may be obtained from the Clerk's Office at a cost of \$20 certifying that no objections or notice of hearing thereon, pursuant to Federal Rule of Bankruptcy Procedure 6007 and Local Bankruptcy Rule 6007-1, was timely filed with the Clerk of Court, pursuant to the notice of abandonment as contained in the 341 meeting notice.

Absent oral abandonment of the property at the 341 meeting, a party in interest seeking to compel the trustee to abandon property of the estate must file a motion referred to in Local Bankruptcy Rule 6007-1(B). A party requesting the Court to order the trustee to abandon any property shall obtain a hearing date from the Court and transmit copies of the motion and notice of hearing to all parties in interest, and shall file with the Clerk the original plus one copy of the motion together with notice of hearing thereon and proof of service. A \$75 filing fee is required.